North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services

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Michael F. Easley, Governor
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Michael Moseley, Director

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MEMORANDUM

To: Legislative Oversight Committee Members
MH/DD/SAS Commission
Consumer/Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Manager Chairs
North Carolina Council of Community Programs
State Facility Directors
Area Program Directors
Area Program Board Chairs
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

From: Mike Moseley

Re: Communication Bulletin # 017
Maintaining Public Sector Access to Psychiatrists

The purpose of this communication is to provide guidance as area/county programs proceed with divestiture of currently employed psychiatrists. Psychiatrists play a crucial role in diagnosing, treating and medically managing the care of persons with mental illness, developmental disabilities and substance abuse disorders. There are approximately 850 psychiatrists in North Carolina working in various settings, e.g., academia, private practice, state facilities, federal facilities, public mental health clinics, etc. According to the U.S. Bureau of Primary Health Care, ninety-seven (97) of the State's one hundred (100) counties are designated as under served relative to psychiatry. The continued availability of this relatively scarce psychiatry resource for public sector clients is pivotal as system reform unfolds and the local authorities assume greater responsibility for serving those clients who are the most disabled. It is, therefore, incumbent upon the managers of the public mental

health, developmental disabilities and substance abuse services system to maintain, at the very least, the current level of client access to psychiatrists.

As reform proceeds, area/county programs will continue to divest of the responsibility to provide direct client services. In some instances, divestiture may occur without appreciable disruption of psychiatric services to public sector clients. For example, there is an adequate number of private psychiatrists who are willing to assume the responsibility or current area program psychiatrists are able to move to other organizations, existing or new, to provide services to public sector clients. In other cases, however, there is reason to be concerned that psychiatrists may leave public sector work and not be readily replaced by other psychiatrists- whether because they are laid off or because they conclude that given an uncertain professional future they are better advised to pursue other career opportunities.

Consequently, area/county programs should consider the following issues in proceeding with divestiture of currently employed psychiatrists:

1. Area Programs should analyze the likely availability of psychiatrists to provide services for their clients, whether by currently employed individuals or by others in the catchment area. In general, contract services relying on "locum tenens" psychiatrists or psychiatrists newly moved into the area should be avoided, since these may not provide a stable pool of psychiatrists.

2. When there are not likely to be psychiatrists available other than those currently employed by the area program, divestiture of those staff physicians should be delayed until measures are in place to ensure continuity of psychiatric services, and consideration should be given to requesting a waiver to continue to employ current psychiatry staff.

3. When the area program psychiatrist(s) is/are the only psychiatrist(s) available in the catchment area, strong consideration should be given to requesting a waiver to continue their employment.

4. If an area/county program determines that psychiatric services cannot be divested at the present time, the program must ensure that adequate safeguards are put in place to segregate the activities of the psychiatrists as service providers from the LME functions that the psychiatrist might perform. Such functions might include utilization management and clinical specialist reviews as part of customer services.

This communication should in no way be construed as a retreat from the fundamental requirement for area programs to divest of direct service responsibility. It is, however, an acknowledgement of the differential impact that current reimbursement streams and rate structures, both public and private, have on the practice of psychiatry.

Any questions regarding this communication should be directed to Joan Kaye at 919-733-7011 or joan.kaye@ncmail.net.

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